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SUPREME COURT, U. S.

No. 425

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MAY 8 1958

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In the Supreme Court of the United States

OCTOBER TERM, 1957

F. STRAUSS & SON, INC., OF ARKANSAS, *Petitioner*

v.

COMMISSIONER OF INTERNAL REVENUE

On Petition for a Writ of Certiorari to the United States Court
of Appeals for the Eighth Circuit

MEMORANDUM FOR THE RESPONDENT

J. LEE RANKIN,
Solicitor General,
Department of Justice,
Washington 25, D. C.

In the Supreme Court of the United States

OCTOBER TERM, 1957

No. 928

F. STRAUSS & SON, INC., OF ARKANSAS, *Petitioner*

v.

COMMISSIONER OF INTERNAL REVENUE

On Petition for a Writ of Certiorari to the United States Court
of Appeals for the Eighth Circuit

MEMORANDUM FOR THE RESPONDENT

The question presented is whether amounts expended by taxpayer in an effort to defeat proposed initiative legislation in the State of Arkansas are deductible as "ordinary and necessary" business expenses under Section 23(a)(1)(A) of the Internal Revenue Code of 1939. The court below held that these amounts were not deductible because expended for the purpose of promoting or defeating legislation.

We believe that this decision is correct. The question presented, however, is substantially the same as

that presented in *Cammarano v. United States*, No. 718, this Term, in which this Court granted certiorari, 355 U.S. 952. Consequently, the Commissioner does not oppose the grant of certiorari here. In the event that the writ is granted, it is suggested that this case be consolidated for argument with *Cammarano v. United States, supra*, under Rule 43(5).

Respectfully submitted,

J. LEE RANKIN,
Solicitor General.

MAY 1958.